

SURVEY OF SELECTED PRIVATE PENSION FUNDS  
1970-71

Reference No. 5.25

This bulletin contains the results of a survey of separately constituted private pension funds operated by a number of large companies or groups of companies and relates to the year 1970-71.

COMPREHENSIVE SAMPLE SURVEYS

2. For 1955-56, 1960-61, 1961-62 and 1962-63, the Bureau conducted sample surveys of pension and retiring allowance schemes in private businesses subject to payroll tax, other than in rural industries, private domestic service, and certain businesses such as accountants, trade associations, consultant engineers, etc. Commonwealth Government airlines and banks were included where they had established their own funds separately from the Commonwealth superannuation funds, but statutory coal miners' pension funds were excluded. Details were asked for three types of pension and retiring allowance schemes. They were (a) schemes operated through separately constituted funds, (b) schemes operated through life insurance offices, and (c) direct payments of pensions and retiring allowances.

3. The results of the 1955-56 survey were published in Finance Bulletin No. 47, Part I, and the 1960-61, 1961-62 and 1962-63 survey results were published in Insurance and Other Private Finance Bulletin No. 2.

SMALL SURVEYS OF SELECTED FUNDS

4. For the years 1956-57 to 1958-59, 1963-64 and 1964-65, information was collected from a small number of the larger separately constituted funds. Although only a small number of funds was included in these collections they accounted, in 1962-63, for about 27 per cent of the income, 28 per cent of the expenditure and about 34 per cent of the total assets of the separately constituted funds covered by the more comprehensive sample survey conducted for 1962-63.

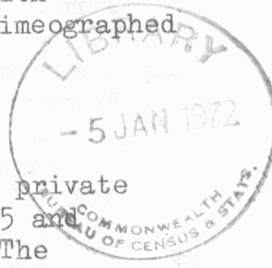
5. Information for these selected funds for the years 1955-56, 1960-61, 1961-62 and 1962-63 was extracted from the returns obtained in the sample surveys conducted for those years and results of the survey for 1964-65, together with comparative figures for previous years, were published in April 1966 in a mimeographed bulletin.

ENLARGED SURVEYS OF SELECTED FUNDS

6. In order to improve the coverage of the published statistics of private pension funds, returns were collected from some additional funds for 1964-65 and tabulated with the returns from the survey for 1964-65 referred to above. The separately constituted private pension funds included in the enlarged 1964-65 survey together accounted, in 1962-63, for about 72 per cent of the total contributions, 71 per cent of the income, 68 per cent of the expenditure and 77 per cent of the assets of the separately constituted funds covered by the more comprehensive sample survey conducted for 1962-63.

7. The results of the enlarged 1964-65 survey were published in September 1966 in a mimeographed bulletin.

8. Further surveys, relating to the same funds that were included in the enlarged 1964-65 survey of selected private pension funds, have been made in respect



of each year from 1965-66 to 1970-71 inclusive. The results of the 1970-71 survey are published in this bulletin together with details of the 1966-67, 1967-68, 1968-69 and 1969-70 surveys for comparison.

9. Since the Survey of Selected Private Pension Funds for 1970-71 is not a representative sample, it is not known to what extent their share of the whole field has changed since the 1962-63 survey; nor is the pattern of income, expenditure and asset distribution of the large funds included in this survey necessarily representative of the whole field.

10. The statistics do not relate to uniform accounting periods but to the financial years of the funds which ended in the years shown.

11. Any discrepancies between totals and sums of components in tables are due to rounding.

TABLE 1. - INCOME AND EXPENDITURE OF SELECTED SEPARATELY  
CONSTITUTED PRIVATE PENSION FUNDS

(\$ million)

	1966-67	1967-68	1968-69	1969-70	1970-71
INCOME					
Contributions -					
Employees	26.6	29.4	32.3	36.2	40.8
Employers	47.7	52.7	58.1	68.1	77.3
Interest on Commonwealth, local and semi-government securities	19.0	20.3	21.9	23.6	26.2
Other interest, dividends and rent	27.0	30.8	36.0	41.5	47.4
Profit on sale or revaluation of assets	7.6	16.1	18.7	5.0	4.1
Other income (a)	5.1	6.2	7.0	3.4	3.6
<u>TOTAL INCOME</u>	133.0	155.6	174.1	177.8	199.4
EXPENDITURE					
Pensions paid to -					
Former employees	13.6	15.4	17.0	18.8	21.4
Widows or children	2.2	2.6	3.1	3.6	4.0
Lump sum payments to -					
Former employees -					
On retirement	10.3	13.0	14.7	18.1	22.5
On resignation or dismissal	9.7	10.7	12.7	15.9	16.8
Widows or children	2.6	2.9	3.4	3.0	3.7
Loss on sale or revaluation of assets	0.9	1.1	1.6	3.8	7.2
Other expenditure (b)	7.6	3.4	3.4	8.0	5.6
<u>TOTAL EXPENDITURE</u>	46.9	49.0	55.9	71.2	81.3
Increase in Funds	86.1	106.6	118.2	106.6	118.1

(a) Includes receipts from life insurance offices, sub-underwriting commissions, etc.

(b) Includes administrative expenses payable from funds, payments to life insurance offices, etc.

TABLE 2. - ASSETS OF SELECTED SEPARATELY CONSTITUTED

PRIVATE PENSION FUNDS

	1966-67	1967-68	1968-69	1969-70	1970-71
AMOUNT (\$ million)					
Cash in hand or at bank	19.4	22.2	23.9	18.0	23.5
Commonwealth Government securities	137.3	155.2	171.3	190.0	222.7
Local and semi-government securities	188.9	195.0	202.1	205.6	203.8
Loans on mortgage -					
To companies	42.1	56.2	70.7	85.9	102.2
Other	22.0	26.5	31.1	37.0	37.0
Company debentures, notes and other					
loans to companies	209.4	230.0	256.8	277.5	303.1
Shares in companies	228.7	258.0	299.7	337.4	362.1
Land and buildings	6.8	8.2	11.4	16.3	25.2
All other assets (a)	14.9	21.6	20.6	27.1	32.5
<u>TOTAL ASSETS</u>	869.5	972.9	1,087.5	1,194.7	1,312.1
<u>Less</u> sundry creditors, etc.	4.3	4.7	6.8	8.9	9.0
<u>AMOUNT OF FUNDS IN AUSTRALIA</u>	865.1	968.2	1,080.7	1,185.8	1,303.1

## PERCENTAGE DISTRIBUTION OF ASSETS

	%	%	%	%	%
Cash in hand or at bank	2.2	2.3	2.2	1.5	1.8
Commonwealth Government securities	15.8	15.9	15.8	15.9	17.1
Local and semi-government securities	21.7	20.0	18.6	17.2	15.5
Loans on mortgage -					
To companies	4.8	5.8	6.5	7.1	7.8
Other	2.5	2.7	2.9	3.1	2.8
Company debentures, notes and other					
loans to companies	24.1	23.6	23.6	23.2	23.1
Shares in companies	26.4	26.5	27.5	28.3	27.5
Land and buildings	0.8	1.0	1.0	1.4	1.9
All other assets (a)	1.7	2.2	1.9	2.3	2.5
<u>TOTAL ASSETS</u>	100.0	100.0	100.0	100.0	100.0

(a) Includes loans to building societies and to authorised dealers in the short-term money market.

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COMMONWEALTH BUREAU OF CENSUS AND STATISTICS

CANBERRA, A.C.T. 2600      4 JANUARY 1972

NOTE. Inquiries concerning these statistics may be made in Canberra by telephoning 490211 Extension 415 or, in each State capital, by telephoning the office of the Bureau of Census and Statistics.

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